



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

FOR IMMEDIATE RELEASE
May 19, 2011

**STATE TREASURER NAPPIER ANNOUNCES HISTORIC, CUTTING EDGE BOND SALE
*SAVING TAXPAYERS MILLIONS OF DOLLARS***

Hartford – Connecticut State Treasurer Denise L. Nappier today announced the successful pricing of a general obligation bond financing that utilizes an innovative bond structure known as SIFMA (Securities Industry and Financial Markets Association) Index Bonds. The bond issuance included \$337.6 million of General Obligation SIFMA Index Bonds. Proceeds of this issuance will fund capital projects for housing, public safety, state universities, transportation infrastructure and economic development.

Based on the strength of Connecticut's credit rating (Aa2/AA/AA) and the robust demand for its paper, the Office of the Treasurer was able to aggressively price the bonds and achieve the lowest interest rates ever for this type of issue – with an initial overall interest cost of .94 percent.

We are proud to continue to issue Connecticut debt prudently and be on the cutting edge of public finance," said Treasurer Nappier. "This sale has the potential to provide meaningful budget savings of as much as \$28 million over the next two years, thereby reducing the amount paid by Connecticut taxpayers."

The Nappier administration's strategic use of SIFMA Index Bonds -- a stable, more cost efficient variable-rate financing alternative -- led to orders from sixteen (16) large institutional buyers, which exceeded the number of bonds available by approximately 1.5 times. Notably, this high demand was generated even though the bonds were offered at such historically low rates.

"The success of this transaction is evidence of the market's confidence in the financial condition of our State," said Nappier, "and the manner in which Governor Malloy and his administration have crafted a fiscally sound and responsible budget for the upcoming biennium. That's no small feat during these economically challenging times, and the market responded accordingly."

Treasurer Nappier's office negotiated the underwriting structure that produced Tuesday's historic bond sale. Morgan Stanley and Seibert Branford Shank led the offering; and other transaction participants included: Day Pitney LLP and Finn Dixon & Herling LLP as co-disclosure counsel; Robinson & Cole and Soeder & Associates LLC as co-tax counsel; and P.G. Corbin & Company and Acacia Financial Group as co-financial advisors.

The sale closed May 19, 2011.

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